

"Ag Notes"

A SUMMARY OF NEWS, EVENTS AND FACTS FROM USDA



Secretary Ann M. Veneman reviews her first year, looks ahead to 2002 on C-Span, Jan. 24

Veneman Talks Farm Policy; First Year in Office to C-SPAN Viewers

Marking the anniversary of her first year as Secretary of Agriculture, Ann M. Veneman sat down and talked with C-Span viewers this week to discuss the farm bill, trade and other issues important to farmers and rural America. In 2001, USDA confronted many challenges that included the potential spread of foot-and-mouth disease, work on a new farm bill, food safety issues, the launch of a new round of WTO negotiations, and responding to the tragedies of September 11th. Veneman received praise from several callers and answered questions from listeners in several states including North Dakota, Louisiana, Ohio, California and Wisconsin.

Veneman continued to call for a bipartisan resolution and quick action by the Senate on a new farm bill. "Hopefully, the Congress will act quickly on the farm bill...we are hopeful that the Congress will come back, come together and reach a bipartisan consensus." The Administration supports a farm bill that provides a market-oriented farm safety net, helps expand trade opportunities for producers, provides additional conservation and environmental stewardship for working lands, supports risk management tools such as farm savings accounts, and abides by the Congressional Budget Resolution.

The Secretary said her first year had more surprises than she would have anticipated including dealing with foot-and-mouth disease and the tragedies of September 11th. "USDA has been working on the homeland security issues with Governor Ridge," and said the FY2003 budget "will see additional spending for things like pest and disease prevention and food safety, things that have become even more important since September 11th." Earlier this month, the President authorized an additional \$327 million to strengthen USDA's homeland security and protection systems. Veneman also said the President has already announced that USDA will seek record-level spending for the Women, Infants and Children (WIC) program, as well as restoring food stamp eligibility for legal immigrants who have lived in the United States for five years. (*CONTINUED, next page*)

Secretary Veneman to Visit Four States After President Delivers State of the Union Address

Following the President's State of the Union Address, Secretary Veneman will travel to Missouri, Texas, Michigan and Ohio on a three-day tour. Veneman's trip will highlight the President's priorities, including the importance of a bipartisan farm bill, trade, as well as efforts to strengthen USDA's homeland security, food safety, and WIC/food stamp programs.

Veneman's travel will include touring USDA farm program facilities in Kansas City, Missouri; touring cattle operations and meeting farmers and ranchers in Texas with Commissioner Susan Combs; visiting WIC/Food Stamp programs in Michigan; addressing agriculture students at Ohio State University and meeting with local farmers.

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Get the latest Farm Bill information from USDA's Farm Policy website:

[www.usda.gov/farmpolicy](http://www.usda.gov/farmpolicy)

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Today's market news and sound bites from USDA officials are available at:

www.usda.gov or
202-488-8358

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2/4 – USDA FY2003
Budget Release,
Washington, DC

2/6 – USA Rice Federation,
Washington, DC

2/8 – National Cattleman's
Association, Denver, CO

2/11 – National Cotton
Council, Dallas, TX

Quotables...

"We can create more opportunities by selling more products overseas. I spent a lot of time as the governor of Texas with the farmers. The agricultural sector is an incredibly important part of our economy. And one of the benefits we have as a nation is we can feed ourselves. That's good for the national security interest, by the way. But we produce more food than we need. We ought to be selling it overseas. The more markets available for U.S. products, the more likely it is somebody is going to find work."

President Bush in Charleston, WV, 1/22/02

VENEMAN WHEAT SPEECH PRAISED

"She addressed concerns of the wheat industry. We appreciate the fact that the Administration has been involved for the past three months in efforts to pass a farm bill." – *Dusty Tallman, Immediate past president of NAWG*

Newly elected NAWG President Gary Broyles added, "I am encouraged that she continued to indicate assurances from the administration that the assistance we need will be there. Her strong pro-trade approach for agriculture shows her commitment to being our advocate of American food products around the world."

Veneman on farm bill, budget---

In response to a question about trade issues, the Secretary responded, "It's extremely critical that everybody understand how important the export market is to agriculture." The U.S. exports 50 percent of the wheat in this country; over 40 percent of the cotton; 30 percent of the soybeans. "One of the areas where we see tremendous increases in exports is in higher-value product, whether it's meat or oils or processed products or fruits and vegetables. What's happening around the world is as developing countries get more income and you see these emerging middle classes, the first thing people buy is more food. And we want to be positioned to sell those people what we have in this country."

On the strength of the dollar, Veneman said "there is no question that's had an impact on our exports. It has made it difficult for us to increase in some situations our market share. But it doesn't undermine how important that overall export market is to our farmers and ranchers and the fact that we need to continue to open markets, to tear down those walls that prevent our farmers and ranchers from having success." A C-Span transcript is available at www.usda.gov.

...A Little More on Farm Savings Accounts

According to USDA Chief Economist Keith Collins, the concept put forward by Senators Thad Cochran and Pat Roberts, called "counter-cyclical farm savings accounts" would work like this: A producer with an average adjusted gross income over the past five years of \$150,000 wants to take advantage of the government match of up to \$10,000 a year. In the first year, wanting to obtain the maximum government match, the producer deposits \$15,000 in a savings account. The first \$10,000 qualifies for the government match, so the producer then has \$25,000 in savings—the \$15,000 deposit plus the \$10,000 government match. The producer does the same thing again in the second year and ends up with \$50,000 in savings plus interest. In the third year, the producer has crop losses that cause that year's adjusted gross income to fall to \$120,000. Because his income level is below 90 percent of the 5-year average—the trigger for withdrawal—the producer is now free to withdraw funds from the savings account. The producer may decide to withdraw \$30,000 to bring his adjusted gross income up to the five-year average. Upon withdrawal, the producer owes tax only on that portion of the account that came from the government plus interest earned. "It's a new risk management concept that complements the existing price and income support tools and deserves more discussion in this year's farm bill debate," says Collins.

...On the Lighter Side

Lucky 5th and 6th graders at Van Ness Elementary School will taste-test potential new school lunch and breakfast items for USDA's Agricultural Marketing Service (AMS) next week at Van Ness Elementary School in Washington, D.C. No one is more honest about food than the actual consumers—children—and by introducing school children to new, nutritious food products, AMS serves as an important marketing link between our domestic agricultural producers and our nation's schools.

After sampling sweet potato pancakes, plum burgers, turkey franks with plum, raising barbecue sauce and yogurt covered cherries, students will "grade" the new food products.

In Fiscal Year 2001, AMS purchased 1.7 billion pounds of food worth \$1 million for the National School Lunch Program, including 192 million pounds of beef, pork, and fish; 229 million pounds of eggs, chicken, and other poultry products; and 1.3 billion pounds of fruits and vegetables. The event takes place on Tuesday, January 29th between 11:00 a.m.- 12:30 p.m. at Van Ness Elementary, 1150 5th St. S.E. Contact: Jessica Faust (202) 720-8998.